

The preceding items are *examples* of serious misconduct and the list is not intended to be all-inclusive. In these cases, the Human Resources Department must be contacted before any action is taken.

SUSPENSION

Suspension without pay may occur at any point during the Progressive Corrective Action process, depending on the circumstances.

A supervisor may suspend an employee immediately upon the occurrence of any suspected act of serious misconduct to allow opportunity for investigation and review of the incident.

A recommendation will then be made as to whether to uphold the suspension, reinstatement, or discharge. The recommendation will be reviewed by Regional Management and the Human Resources Department and a determination will be reached and communicated to the employee.

SUPERVISORS AND MANAGERS

Due to the level of responsibility of a manager or supervisor, discipline of management and supervisory personnel may or may not follow the corrective action process outlined in whole or in part. Corrective Action will be determined on a case-by-case basis by the appropriate management personnel in conjunction with Human Resources.

PROBATIONARY EMPLOYEES

Probationary employees are subject to a modified corrective action process which may, at the Company's discretion, only include a verbal counseling, final written warning, and recommendation for termination.

Institutional Action

It must also be noted that the institution may temporarily or permanently withdraw access from anyone who works in or enters the institution. In the event of such withdrawal of access, CMS will attempt to resolve the situation as soon as practical. Loss of institution access normally results in termination of employment by CMS, as security clearance/access is a precondition of employment by CMS.

RESIGNATION AND EXIT INTERVIEWS

Employees deciding to resign their position must immediately notify their supervisor, in writing, of their intended resignation date. A minimum of two (2) weeks' notice is required to obtain a replacement and maintain proper service to our customers. Managerial and supervisory staff must give at least three (3) weeks' notice. Employees not providing required notice of resignation are not eligible to receive pay for unused PTO, unless otherwise required by law.

Employees may not take PTO after giving two weeks' notice and will not be paid for any sick leave taken during their final two weeks unless a doctor's statement is submitted.

EXIT INTERVIEW

As soon as the Site Manager becomes aware of a resignation, an exit interview may be scheduled with the employee to discuss the reasons for leaving and to make arrangement for the return of any company or institutional property. Arrangements involving the following miscellaneous items will be made at this time:

- ↳ *Returning keys, credit cards, company documents, manuals, etc.*
- ↳ *Providing a forwarding address, if applicable*
- ↳ *Contacts for information on continuing benefits*

In addition, employees may also request an exit interview with the Human Resources Department. Exit interviews conducted by the HR Department are confidential.

1 . 1 0

EMPLOYMENT OF RELATIVES

The policy regarding employment of relatives does not prohibit relatives from working for CMS, but it does restrict their direct reporting relationship to and with each other. It is company policy that close relatives do not report to each other or work in positions where a conflict of interest could easily arise. Close relatives include but are not limited to: spouse, child, parent, brother, sister, grandparent, grandchild, parent-in-law, brother/sister-in-law, step-parent, step-child; or an individual with whom the employee has a close personal relationship similar to one of those previously described. It is a requirement of CMS that employees disclose to their supervisors the existence of any such relationship within the company. Failure to report such relationship may result in termination of all employees involved.

When a relationship arises after employment, the non-supervisory employee will be given the opportunity to transfer to another position (provided one is available) or the employee must resign. A grace period of four (4) weeks will be given in order to allow the employee to find a new position.

SECTION
2

SITE HUMAN RESOURCES

COMPENSATION POLICIES

2 . 1

YOUR COMPENSATION

The compensation philosophy of Correctional Medical Services is to pay all employees fairly for their contribution based on a system of internal and external equity. Pay rates are determined from many factors including education, experience, responsibility, and market value. To determine external equity, periodic surveys are done to estimate market value. Internally, a job evaluation system is used.

Information about your rate of pay and other personal data for credit card applications or similar purposes will be provided to others outside the organization only with your written authorization. Inside the organization, this information is shared only with you and your supervisor or potential supervisor.

COMPENSATION REVIEWS

Compensation reviews occur periodically, usually on an annual basis, as part of the performance evaluation process. Any wage increases that may be recommended by the employee's supervisor as a result of the performance evaluation are based on merit and are reviewed and approved by the Site Manager and Regional Management.

PAY CLASSIFICATIONS

For pay purposes, all employees will be designated as Non-Exempt or Exempt as defined below:

- ↳ Non-Exempt - means employees covered by the Wage/Hour Law are subject to overtime pay if working more than 40 hours in a defined work week, or other period as required by State Law.
- ↳ Exempt - refers to certain managerial, professional, or administrative positions that are paid a fixed amount and do not receive overtime pay.

WORKING HOURS

Regular workday hours are established at each work site and will generally consist of an 8½-hour shift that includes a 30-minute unpaid meal period. Employees should consult with the Site Manager for specific work hours since this may vary depending on the institutional agreement.

The standard workweek consists of seven consecutive days starting at 12:00 midnight on Sunday and ending at 11:59 p.m. the following Saturday.

The medical unit provides continuous service seven days a week. Employees may be scheduled to work any shift as needed including Saturday and/or Sunday as part of a normal workweek. It is the expectation of CMS that employees may not leave the unit at the end of their shift unless another CMS staff member has properly relieved them.

MEAL PERIODS

Meal periods will be taken on a consistent basis unless there is an unusual operational, patient care, or security need. If an employee is requested by a supervisor to work part or all of a meal period, the employee is to complete a T-2 adjustment form to record the meal period as "hours worked." If the form is completed, the employee will be paid for the entire meal period. Any employee who works through the meal period must complete a T-2 adjustment form the same day in which the meal was missed in order to be paid for that time. Otherwise T-2 will automatically deduct a 30-minute meal period for any shift of six (6) hours or greater.

Employees are directed to take their 30 minute unpaid meal period away from their normal workstation, when possible.

TIME KEEPING

All employees must accurately record total hours worked on a daily basis via the T-2 system (where applicable) or via a manual time sheet.

In addition, all **non-exempt** employees are required to report the following items:

- ↳ *Any lunch period during which the employee was requested to work by their supervisor*
- ↳ *Any PTO (Paid Time Off) taken*
- ↳ *Any funeral or jury duty hours*
- ↳ *All other regularly scheduled hours that the employee did not work, such as time missed due to lateness or other unpaid absence*
- ↳ *All hours worked by the employee off site*

All **exempt** employees are required to report the following items:

- ↳ *Any PTO (Paid Time Off) taken*
- ↳ *Any funeral or jury duty hours*

All of the above should be reported regardless of whether or not the employee has benefits accrued to cover the time. The amount of paid time-off benefits available will be determined in accordance with company policy.

T-2 SWIPING AND ADJUSTMENTS

If on a manual system, all time records must be signed by both the employee and the supervisor prior to being submitted to the Payroll Department.

If on the automated T-2 system, you must assure that you swipe at all appropriate times. *All T-2 adjustments must be signed by both you and your supervisor.*

An employee's time records are considered legal documents and must accurately reflect the hours the employee has worked. **Employees must not swipe for anyone else and must not allow anyone else to swipe for him or her.** This is considered a very serious offense and may be grounds for dismissal.

Falsification of time or a time sheet or failure to complete and submit a time sheet is considered a serious offense and may result in corrective action, including a recommendation for termination.

In order to satisfy recording requirements for client billing purposes, both Non-Exempt and Exempt employees may be asked to keep additional records of time worked and not worked.

OVERTIME

Employees classified as Non-Exempt are paid for all overtime "hours worked" in excess of forty (40) hours in a defined work week, or as required by State law (see Section 2.2, **Pay Classifications**). "Hours worked" refers to actual hours worked during the workweek.

Overtime is paid at a rate of 1½ times the employee's average hourly rate for the workweek in which it occurs. Overtime must be approved in advance by the employee's supervisor or in accordance with established site policies. Payment for PTO or any other paid non-work status (i.e. funeral, jury duty, etc.) is not considered as time worked when calculating overtime.

2.7

PAY PERIOD AND PAY DAY

The normal pay period ending dates vary by site location, but employees are paid every two weeks. During orientation, you will be advised of pay periods specific to your site (or Regional Office location).

Paychecks are processed for all CMS employees based on information received from the individual work sites. Because the processing time may vary according to location and size of the payroll to be processed, actual pay dates are posted at each work site informing employees of the dates that paychecks should normally be available. Payroll checks and Deposit Advice Notices are sent directly to the facilities for distribution unless other arrangements have been approved.

DIRECT DEPOSIT

Employees may elect to have their paycheck deposited directly into their personal account(s) provided the bank(s) is a member of the Automated Clearing House. Employees using direct deposit must immediately notify the Payroll Department of any banking changes, including changes in account numbers. Changes must be made via the *Direct Deposit Form*, available from your supervisor. Changes may take up to two (2) pay periods to process.

PAY IN ADVANCE

CMS is **unable** to pay employees in advance. Paychecks will not be issued in advance of payday to employees out of the facility on payday.

FINAL PAY

In most cases, final paychecks will be mailed to the employee's home on the next payday following the termination date, unless otherwise specified by state law.

Any remaining eligible PTO time (according to the pro-rated termination table in Section 3.1, **Paid Time Off**) will be included on the final paycheck, provided the employee has completed twelve (12) months of service and provided proper notice, unless otherwise specified by state law.

**PAY DAY WHEN
ABSENT**

If an employee is not at work when paychecks are distributed, the employee's check or Direct Deposit Advice Notice will be held by the Site Manager until the employee's return, unless other arrangements are made between the employee and the Site Manager.

SECTION
3

SITE HUMAN RESOURCES

EMPLOYEE BENEFITS

OVERVIEW

CMS has developed a comprehensive benefit package to help provide for the welfare and security of you and your family. Many of the benefits are paid completely by CMS.

The following is a very brief overview of the benefits available to regular full-time CMS employees. Additional details are available in the Summary Plan Description provided for each plan, or you may discuss any benefit questions you have with a member of the CMS Benefits Department.

If there is ever a question about one of the benefit plans, or if there is a conflict between the information in this guide, the Summary Plan Description, and the formal language of the plan documents, the formal wording in the plan documents will govern.

Correctional Medical Services reserves the right to change or amend the benefit plan provisions or employee cost allocations as necessary. Reasonable notice will be provided regarding benefit plan changes or amendments.

3 . 1

PAID TIME OFF

The Paid Time Off (PTO) program is a benefit providing paid time off from work which is customized to meet individual employee needs yet sensitive to the required staffing needs of the facility. PTO is used for time off for vacations, holidays, short-term illnesses, and personal business.

Within the scheduling needs of each facility, this benefit provides employees with the flexibility to manage time off from work according to their own personal needs.

PTO PERIODS

The Paid Time Off benefit period is January 1 through December 31. Eligible full-time and part-time employees are credited with PTO on January 1st and July 1st of each year according to the published schedule. PTO hours are based upon the completed years of service as of June 30th and December 31st each year. Employees are eligible to use PTO as soon as it is credited. All PTO hours must be used prior to December 31st of each year. Unused PTO will be transferred to the employee's Extended Sick Leave (ESL) bank. In addition, eligible full-time and part-time employees will have their Extended Sick Leave bank credited with the appropriate number of hours on January 1st of each year. (See Section 3.3, **Extended Sick Leave**.)

NOTE: Employees on Workers' Compensation leave, who cannot use their PTO hours, will be able to carry those hours forward into the next fiscal year.

ELIGIBILITY

Eligible employees are defined as follows:

Full-time employees are defined as those who are hired for and regularly scheduled to work forty (40) hours per week and who are designated as a 1.0 FTE on the Staffing Control Document (SCD).

Part-time employees are defined as those who are regularly scheduled to work a minimum of twenty-four (24) hours per week and a maximum of thirty-nine (39) hours per week.

**INELIGIBLE
EMPLOYEES**

Employees who are not eligible to participate in this program are those who are designated as PRN (on-call, as needed) or who are part-time employees regularly scheduled less than twenty four (24) hours per week and who are less than a .60 FTE on the SCD.

PTO PAY

PTO is paid at the base rate of pay in effect on the date payment is made. PTO will not be counted as hours worked for the purpose of overtime calculations.

**SCHEDULING,
APPROVAL, AND
USAGE**

The minimum PTO usage for exempt employees is eight (8) hours, whereas for non-exempt employees, minimum PTO usage is in one (1) hour increments. PTO is to be used and scheduled according to the employee's work schedule.

To schedule PTO, employees should fill out the *Request for Paid Time Off* Form.

Employees are expected to schedule PTO with their supervisor before the schedule is posted, or as determined by the Site Manager. *Approval of PTO will be made by the supervisor based upon the staffing needs of the facility and the necessity of the employee's leave.* The supervisor may cancel scheduled PTO based upon staffing needs and workload.

In the event of an unscheduled absence, due to an unforeseen illness or emergency, the employee must notify the supervisor at least two (2) hours in advance of the scheduled shift.

Unscheduled absences will be paid if PTO hours are available. An excessive amount of unscheduled PTO requests may result in corrective action.

Employees are responsible for managing the use of their time off so that time off beyond their allotted PTO hours is not needed. PTO cannot be used in advance of acquisition. Employees cannot borrow from future allocations.

**PTO CREDIT
SCHEDULE**

The amount of PTO to which an employee is entitled is driven by the employee's "FTE %" based on their standard hours as follows:

Standard Hours / Week	FTE / %
40.0 +	100 %
36.0 – 39.99	90 %
30.0 – 35.99	80 %
24.0 – 29.99	60 %

Employees hired between January 1st and December 31st are granted PTO hours as per the following chart:

Hire Date	FTE % at Hire			
	100%	90%	80%	60%
01/01	104	94	84	64
01/02 – 02/01	84	76	66	52
02/02 – 03/01	64	58	50	40
03/02 – 04/01	40	36	32	24

Hire Date	FTE % at Hire			
	100%	90%	80%	60%
04/02 – 05/01	20	18	16	12
05/02 – 06/01	0	0	0	0
06/02 – 06/30	0	0	0	0
07/01 – 08/01	64	58	52	40
08/02 – 09/01	40	36	32	24
09/02 – 10/01	16	14	12	10
10/02 – 11/01	16	14	12	10
11/02 – 12/01	8	7	6	5
12/02 – 12/31	0	0	0	0

PTO ALLOCATIONS

Allocations of PTO balances are input twice per year, January 1st and July 1st. The number of hours granted is determined by the employee's length of service and FTE percent (%) and applied as per the following chart:

Length of Service	January 1 Hours				July 1 Hours				Total Hours			
	Length of Service @ 12/31				Length of Service @ 06/30							
	100%	90%	80%	60%	100%	90%	80%	60%	100%	90%	80%	60%
< 2 years	104	94	84	64	104	94	84	64	208	188	168	128
2 < 6	124	112	99	76	124	112	99	76	248	224	198	152
6 < 9	136	122	109	80	136	122	109	80	272	244	218	160
> 9	144	130	119	88	144	130	119	88	288	260	238	176

**ALLOCATION FOR
STATUS CHANGE**

PTO banks for employees who change their FTE % status between PTO allocations are adjusted up (+) or down (-) according to the following chart:

Status Change Date	FTE % Change (from → to)					
	100-90% (-) 90-100% (+)	100-80% (-) 80-100% (+)	100-60% (-) 60-100% (+)	90-80% (-) 80-90% (+)	90-60% (-) 60-90% (+)	80-60% (-) 60-80% (+)
01/02 – 02/01	8	18	32	10	24	14
02/02 – 03/01	6	14	24	8	18	10
03/02 – 04/01	4	8	16	4	12	8
04/02 – 05/01	2	4	8	2	6	4
05/02 – 06/01	0	0	0	0	0	0
06/02 – 06/30	0	0	0	0	0	0
07/01 – 08/01	6	12	24	6	18	12
08/02 – 09/01	4	8	16	4	12	8
09/02 – 10/01	2	4	6	2	4	2
10/02 – 11/01	2	4	6	2	4	2
11/02 – 12/01	1	2	3	1	2	1
12/02 – 12/31	0	0	0	0	0	0

**CARRY OVER OF PTO
HOURS**

PTO hours must be used within the fiscal year (January 1st through December 31st) in which they are credited, except in the case of employees who are out on Workers' Compensation leave and are unable to use their PTO hours. In this exception, the employee's PTO hours will carry forward to the next fiscal year.

PTO hours not used by December 31st of each year will be transferred to the eligible employee's Extended Sick Leave (ESL) bank.

**MOVE FROM
ELIGIBLE TO NON-
ELIGIBLE**

If a change in status occurs during the first year of service, resulting in loss of PTO, PTO is not paid at the time of the change of status and all PTO hours are forfeited.

If the change in status occurs after the first year of service, PTO is paid as if the employee was terminating employment.

The ESL bank cannot be accessed during the period of time an employee was in an ineligible PTO status. However, in the event that the employee moves back into a PTO eligible position, the ESL bank will be restored and made available for use (provided the employee completed one [1] year of service prior to the status change.)

HOLIDAY PTO

Employees not scheduled to work on a company-designated holiday **will have those hours deducted** from their PTO bank.

**PTO PAY UPON
SEPARATION OF
EMPLOYMENT**

Employees who leave the company without completing one (1) year of service will not be eligible for payment for acquired unused PTO hours except where payment is required by law.

Employees who leave the company, who have completed at least one (1) year of service in an eligible PTO position, and who provide and work the proper notice period, may receive payment for credited but unused PTO hours.

Terminating employee PTO pay out is pro-rated based on length of service and the month of termination of employment, unless otherwise specified by state law.

The following charts are used to determine the total PTO **hours** that the employee has earned. Pay out is calculated by taking this figure and deducting all PTO time taken since January 1st.

Length of Service 1 < 2 Years:

Termination Month	FTE % at Termination			
	100%	90%	80%	60%
January	17	15	14	11
February	34	30	28	22
March	51	45	42	33
April	68	60	56	44
May	85	75	70	55
June	104	94	84	64
July	121	109	98	75
August	138	124	112	86
September	155	139	126	97
October	172	154	140	108
November	189	169	154	119
December	208	188	168	128

Length of Service 2 < 6 Years:

Termination Month	FTE % at Termination			
	100%	90%	80%	60%
January	20	18	16	12
February	40	36	32	24
March	60	54	48	36
April	80	72	64	48
May	100	90	80	60
June	124	112	99	76
July	144	130	115	88
August	164	148	131	100
September	184	166	147	112
October	204	184	163	124
November	224	202	179	136
December	248	224	198	152

Length of Service 6 < 9 Years:

Termination Month	FTE % at Termination			
	100%	90%	80%	60%
January	22	20	18	14
February	44	40	36	28
March	66	60	54	42
April	88	80	72	56
May	110	100	90	70
June	136	122	109	80
July	158	142	127	94
August	180	162	145	108
September	202	182	163	122
October	224	202	181	136
November	246	222	199	150
December	272	244	218	160

Length of Service > 9 Years:

Termination Month	FTE % at Termination			
	100%	90%	80%	60%
January	24	21	19	15
February	48	42	38	30
March	72	63	57	45
April	96	84	76	60
May	120	105	95	75
June	144	130	115	88
July	168	151	134	103
August	192	172	153	118
September	216	193	172	133
October	240	214	191	148
November	264	235	210	163
December	288	260	230	176

Employees who leave the Company and who have used more PTO hours than what they have earned may have the excess PTO hours deducted from their last paycheck, except where prohibited by law.

NOTE: PTO levels may differ somewhat based upon state or collective bargaining agreements. Refer to your Site Manager for specifics.

3.2

PREMIUM PAY DAYS

Correctional Medical Services will pay eligible employees who work on designated holidays at the rate of 1½ times their regular rate of pay. Regular rate of pay is defined as the employee's base rate of pay, plus shift differentials, if applicable.

Eligible employees are defined as those individuals working on a schedule consisting of full-time, part-time, and PRN.

Eligible positions for Holiday Premium Pay will be determined by the Site Manager based upon the individual staffing requirements for the facility for each company-designated holiday.

<i>Name of Holiday</i>	<i>Definition of Holiday</i>
New Year's Day	December 31 (3 rd Shift) January 1 (1 st Shift) January 1 (2 nd Shift)
Memorial Day	The last Monday in May, defined as: <ul style="list-style-type: none"> ▪ Monday 1st Shift ▪ Monday 2nd Shift ▪ Monday 3rd Shift
Independence Day	July 4 (1 st Shift) July 4 (2 nd Shift) July 4 (3 rd Shift)
Labor Day	The first Monday in September, defined as: <ul style="list-style-type: none"> ▪ Monday 1st Shift ▪ Monday 2nd Shift ▪ Monday 3rd Shift
Thanksgiving Day	The fourth Thursday in November, defined as: <ul style="list-style-type: none"> ▪ Thursday 1st Shift ▪ Thursday 2nd Shift ▪ Thursday 3rd Shift
Christmas Day	December 24 (3 rd Shift) December 25 (1 st Shift) December 25 (2 nd Shift)